

	<p><b>Department of Administration</b></p> <p><b>State of Montana</b></p>	<p><b>Number:</b> RMTDINS0802</p>
	<p><b>Issued by:</b> The Risk Management &amp; Tort Defense Division</p> <p><b>Subject: Airport Insurance</b> The state's airport excess liability insurance program requirements and insurance coverages.</p>	<p><b>History Log:</b></p> <p>Approval Date: 07/01/01 Effective Date: 07/01/01 Reviewed: 06/23/06 Last Revision: 06/23/07 Contact: Brett E. Dahl</p>
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## I. DESCRIPTION

In accordance with §2-9-101, MCA through §2-9-305, MCA, the Department of Administration, Risk Management & Tort Defense Division administers a comprehensive insurance plan in behalf of Montana state government. The division also defends and indemnifies state agencies and employees in any TORT claim for damages arising from the lawful discharge of official duties rendered or which should have been rendered in the course of employment and within the scope of duty. This document provides a broad overview of insurance coverage provided under the state property/casualty insurance plan as well as specific program requirements for state agencies that participate in the state's aircraft insurance program. Do not attempt to interpret coverage, limits, or exclusions and apply these to state activities without contacting the Risk Management & Tort Defense Division. Specific exclusions, limits, or conditions may apply.

## II. DEFINITIONS

***Aircraft*** means any aircraft including engines, propellers, operations, and navigation instruments and radio equipment usually attached to the aircraft including component parts detached and not replaced by similar parts, and tools therein which are standard for the make and type of aircraft.

***Airport*** means the airports(s) designated by each agency in the state property/casualty insurance information system including the ways and means immediately adjoining thereto, and including other premises used by the state in connection with the business of the state.

***Annual Period of Insurance*** means a period of one calendar year coinciding with the state's fiscal year.

***Automobile*** means a land motor vehicle, trailer, or semi-trailer designed for travel on public roads including any attached machinery or equipment. But automobile does not include "mobile" equipment for purposes of the state's policy.

***Bodily Injury*** means bodily injury, sickness, or disease, including death at any time resulting therefrom, fright, or mental anguish.

***Division*** means the Risk Management & Tort Defense Division.

***Flight*** means the time commencing when the aircraft moves forward in attempting to take off and continuing therefrom until it has completed its landing run. A rotorcraft shall be deemed to be "in flight" when the rotors are in motion.

***Occurrence*** means an accident, or a continued or repeated exposure to conditions, which result in bodily injury or property damage during the state's

policy period, provided such bodily injury or property damage is neither expected nor intended from the standpoint of the state. Bodily injury resulting from the use of reasonable force to protect persons or property shall be deemed to be not expected or intended from the standpoint of the state.

***Property Damage*** means injury to or destruction of property including the loss of use thereof at any time resulting therefrom; or loss of use of property which has not been injured or destroyed.

### **III. INSURING AGREEMENT**

Subject to the terms, conditions, and exclusions specified in the state's airport excess liability policy, the state's policy insures the ownership, maintenance, or use of state airports as reported by state agencies and most operations necessary thereto, except direct operation of a control tower, including the following:

- A. Airport operations (i.e. maintenance, baggage handling, ticketing, runway repair, etc.).
- B. Good or products manufactured, sold, handled, or distributed.
- C. Service operations.
- D. Construction and demolition hazards.
- E. Hangar keeper liability for aircraft, which are the property of others.

#### **Defense, Settlement, and Supplementary Payments**

Participating insurance carriers shall:

- A. Defend covered suits against the state alleging bodily injury or property damage or seeking damage on account thereof.
- B. Pay for or reimburse the state for reasonable expenses incurred at the state's request;
- C. Not be obligated to pay any defense, settlement, or supplementary payment as set forth herein and the policy is null and void and no coverage is applicable if any deductible payable by the state is not paid by the state upon request by participating carriers.

### **IV. POLICY PERIOD, TERRITORY, & GEOGRAPHICAL LIMITS**

The state's policy typically applies to occurrences anywhere in the world.

### **V. EXCLUSIONS**

A summary of the exclusions is listed below:

- A. Any obligation for which the state or participating carriers may be held liable under any workers' compensation, occupational disease, disability benefit, or unemployment compensation insurance.
- B. Bodily injury or property damage by reason of intoxication, furnishing alcoholic beverages, or any statute or regulation relating to the sale, gift, distribution, or use of alcoholic beverages.
- C. Property owned, rented, leased, for sale, or entrusted by the state except as respects hangar keepers liability or vehicles, goods, merchandise, or baggage not owned by the state in the care, custody, and control of the state.
- D. The existence, maintenance, operation, use, loading or unloading of aircraft owned by, hired by or for, or loaned to the state, or in flight by the state.
- E. Bodily injury cause by any automobile off airport premises. Bodily injury caused by ships, vessels, craft, or boats owned by the state. Bodily injury arising out of goods or products manufactured, sold, handled, or distributed by the state until such time as said goods have been relinquished by the state.
- F. Bodily injury or property damage happening on the airport while in response to an aviation emergency off of the airport.
- G. Bodily injury or property damage caused by liability assumed by the state under contract.
- H. War, hijacking, noise pollution, or pollution of any kind.
- I. Claims involving instructions given from a control tower.

## **VI. PROGRAM REQUIREMENTS**

- A. State agencies must list detailed information about their airports on the state Property/Casualty Insurance Information System by April 15<sup>th</sup> of each fiscal year. This information will be used by state underwriters and insurance carriers. Failure to provide accurate information may result in uninsured losses.
- B. Participating carriers shall be permitted to inspect the airport and any associated records at any time.
- C. The state's policy may be cancelled with 30 days notice. Should this occur, the Risk Management & Tort Defense Division would secure coverage from other carriers.

## **VII. SPECIAL SERVICES**

- A. State agencies that need coverage for something not mentioned or something excluded or limited by the state's policy are encouraged to contact the Risk Management & Tort Defense Division. The division or its brokers may be able to form a plan of self-insurance to assist your agency. Any plan must be consistent with §2-9-201, MCA. The division may have to obtain legislative approval for the plan. The division may be able to obtain commercial insurance to meet your needs.
- B. The Risk Management & Tort Defense Division may be able to help you develop a risk control plan that will remove or reduce your need for coverage.

## **VIII. REPORTING LOSSES**

The ***State Report of Incident Form*** should be used. State agencies must notify the Risk Management & Tort Defense Division of a claim or potential claim as soon as possible, preferably within 5 business days. Fatalities or other serious injuries must be reported within 24 hours. Claims that are not reported within a reasonable period of time may be denied. Attach supporting information, such as:

- A. Evidence of state ownership or responsibility;
- B. Copy of any police or fire department report;
- C. Repair estimates, photographs, other data on cost of damages; and
- D. Information on the other party's insurance.

Sample forms may be found on the division's website under 'Claims.' You may photocopy them (front and back) as needed.

## **IX. LIMITS**

\$5,000,000 excess of the state's tort damage caps of \$1,500,000 per occurrence.

## **X. DEDUCTIBLES**

There is a \$1,000 deductible for hangar keeper liability. Payments that fall below commercially insured losses will be paid by the Risk Management & Tort Defense Division.

## **XI. PREMIUMS**

Premiums must be promptly remitted by state agencies after receiving billing notices from the Risk Management & Tort Defense Division.